

Drug Intelligence Brief



DRUG ENFORCEMENT ADMINISTRATION
INTELLIGENCE DIVISION

March 2000

HONDURAS—COUNTRY BRIEF

DEA Office Responsible Honduras Country Office

Population 5,924,000 (1995 estimate)

Area 112,492 square kilometers
(43,433 square miles)

Capital Tegucigalpa

Type of Government Constitutional Republic

Honduran Top Government Officials

President Carlos Roberto Flores-Facusse

Minister of Defense Colonel Cristobal Corrales

Minister of Security Maria Elizabeth Chiuz-Sierra

Minister of Interior Delmar Urbizo



Drug Statistics in Honduras 1992 - 1999

	1992	1993	1994	1995	1996	1997	1998	1999
Cocaine (kilograms)	1,460	3,177	930	405	3,324	2,213	1,843	714
Marijuana (kilograms)	510	387	410	1,514	541	788	1,500	1,600
Cannabis plants eradicated	N/A	4,203	25,994	2,648,738	2,309	337,813	286,364	103,649
Drug arrests	N/A	340	776	646	707	746	922	1,210

HISTORICAL COMMENT

Honduras' political system experienced frequent coups and military governments throughout most of its history after becoming independent in 1838. The Honduran political situation changed in November 1993, when the opposition Liberal Party assumed control of the Honduran presidency and congress upon winning presidential elections, and the military did not contest or overturn the election result. The current president, Carlos Roberto Flores Facusse was elected in November 1997 as Honduras' second Liberal Party president. Liberal Party Administrations have managed to survive despite several severe political challenges.

Chronic poverty in Honduras worsened in late 1998, with the massive material destruction caused by Hurricane Mitch. Some estimates have calculated that Mitch affected 80 percent of the Honduran population. The storm destroyed large areas of Tegucigalpa and other major cities, and created massive unemployment along the Caribbean coast by destroying banana plantations and other agricultural

businesses. The increased number of unemployed and the diversion of police resources to hurricane recovery operations increased the opportunities available for drug traffickers operating along the Caribbean coast and the Pan-American Highway to move loads of cocaine undetected.

OVERVIEW

Honduras, located in Central America between Nicaragua to the south and Guatemala and El Salvador to the west, is a transit country for the movement of cocaine from South America to the United States. Maritime trafficking is the primary method of cocaine smuggling for Honduran and Colombian organizations operating along the Honduran north coast. Drug traffickers move cocaine loads overland from Panama or Costa Rica to Guatemala and Mexico for further transshipment to the United States via the Pan-American Highway. These shipments are concealed within modified secret compartments in passenger vehicles and tractor-trailers. In 1999, there was evidence of a large number of air shipments utilizing Honduran airspace.

Honduras has severe underlying problems that have encouraged drug trafficking and presented serious challenges to law enforcement. The country's depressed economy, which is based on agricultural exports and, more recently, Asian textile factories, has resulted in chronic poverty. Poverty in Honduras has, in turn, hindered infrastructure development and many parts of the country are still inaccessible by road. Damage resulting from Hurricane Mitch worsened Honduras' economic problems, destroyed road networks, and further isolated many sections of the country.

CULTIVATION AND PRODUCTION

Cannabis is the only illicit crop cultivated in Honduras. Cannabis is grown almost exclusively for domestic consumption and is of poor quality and low THC content. Small plots of illegally grown cannabis are found throughout Honduras, primarily in small isolated fields concealed in rugged mountainous terrain in the departments of Yoro and Francisco Morazan in Central Honduras, Colon along the Caribbean coast, Olancho in eastern Honduras, and in the western departments of Copan and Santa Barbara. The mild tropical climate allows year round cultivation of cannabis. Planting times vary according to localized climatic conditions and elevation. The most productive harvests mature between November and January. The Government of Honduras, with support from the U.S. Government, eradicated 103,649 cannabis plants in 1999 compared to 286,364 cannabis plants in 1998. No coca or opium poppy cultivation has been discovered in Honduras.

CHEMICALS

Honduras is not a chemical producer, but chemicals are imported from the United States and Europe. The Honduran Government currently is reviewing chemical diversion legislation. No chemical seizures were made in 1999. Honduran police have not detected any cocaine or heroin processing laboratories in the country.

DRUG TRAFFICKING TRENDS

Honduras is a significant transit country for South American cocaine destined for the United States. An estimated 90 percent of all drugs entering Honduras are destined for the United States. The remaining 10 percent are mostly consumed domestically or transported to other Central American/Caribbean countries. Maritime vessels as well as land vehicles are the primary conveyances used in cocaine movement into and through Honduras. Noncommercial aircraft are used to smuggle cocaine as well, as demonstrated by

numerous air tracks and a large seizure from a helicopter in 1999. Most drugs entering Honduras merely transit the country or its territorial waters. Honduran authorities believe that the volume of illegal drugs transiting the country has risen, because the local consumption of cocaine and “crack” cocaine is escalating.

Maritime trafficking is the primary method used by cocaine smuggling organizations operating in Honduras because sea transit among the many coastal, island, and cay areas is relatively risk-free. Honduras’ Caribbean coast is very sparsely populated, has no roads in many areas, and is poorly policed. Honduran drug trafficking organizations based along the north coast use a vast fleet of small fishing and cargo vessels to assist Colombian drug organizations in the movement of cocaine from San Andres Island to the United States via the Honduran north coast and the Islas de la Bahia. This support includes transferring cocaine shipments from vessel to vessel and supplying Colombian drug-laden vessels with fuel or other provisions. Also widely used are motorized dug-out canoes in which Miskito Indians move smaller shipments along rivers and between Honduras’ numerous Caribbean cays and coastal islands for Colombian traffickers. The Honduran seaports of La Ceiba, Puerto Cortes, and Puerto Lempira serve as embarkation points for cocaine destined for the United States or Europe. Traffickers take advantage of the limited law enforcement presence surrounding the many coastal, island, and cay areas due to the Honduran Navy’s lack of counternarcotics training, poorly maintained ships, and limited fuel.

During 1999, a total of 714 kilograms of cocaine were seized, compared with 1,843 kilograms seized in 1998. The largest shipment of cocaine intercepted in 1999 was seized from a helicopter in September, which landed in the Department of Yoro, Honduras, after running out of fuel. The helicopter, which had been loaded with the cocaine near Puerto Lempira, was en route from Nicaragua to Guatemala, with 425 kilograms of cocaine and three pilots aboard. The second largest cocaine seizure of the year, 241 kilograms, was seized in January from a 17-member Mexican family traveling in three vehicles along the Pan-American Highway from Nicaragua en route to Mexico.

Although Honduran police did not make any major seizures from tractor-trailers in 1999, drug trafficking organizations continued to use trucks along the Pan-American Highway to transport cocaine. As a result of limited customs controls, underpaid border officials, and a high volume of commercial traffic, the port of entry at El Guasaule, on the Honduran–Nicaraguan Border, continues to be exploited by drug traffickers. Traffickers favor this smuggling route because vehicles are able to pass through Honduras on the Pan-American Highway in just a few hours. In addition, the high volume of legitimate traffic makes interdiction difficult.

INTERNAL TRAFFICKING AND DRUG ABUSE

No reliable estimates for domestic consumption of illicit drugs are available. However, it is widely recognized that drug use is increasing rapidly in Honduras. Among the Honduran population, alcohol abuse and inhalants remain the most commonly abused substances, with fewer persons abusing marijuana and cocaine. Honduran marijuana is of low quality and has a low THC content. Colombian powder cocaine and crack cocaine are found in the urban areas of the country and on the north coast. Crack cocaine use was limited until the late 1990s, but increased rapidly during 1999, especially in its capital, Tegucigalpa and in northern areas such as San Pedro Sula, Puerto Cortes, La Ceiba, and the Islas de la Bahia. On July 23, 1999, a crack cocaine processing laboratory was discovered on Roatan Island, Honduras. Several arrests were made along with the seizure of 51 crack rocks and laboratory equipment.

Powder cocaine is abused by a relatively small group of middle and upper-class youth and is most readily available in nightclubs in Honduras' largest cities. Trafficking in cocaine used for local consumption is controlled mostly by local traffickers.

Heroin consumption is not considered a major problem in Honduras. Most of the heroin that enters Honduras is in transit to the United States. During 1999, Honduran police seized less than 1 kilogram of heroin.

MONEY LAUNDERING

Honduras is neither a major money laundering center, nor a major offshore financial center. The money laundering that does occur in Honduras is related to a variety of criminal activities including drug trafficking, auto theft, kidnapping, bank fraud, prostitution, and corruption. Money laundering is not limited to the banking sector, but includes currency exchange firms, casinos, and front companies.

Money laundering is a crime in Honduras, but prosecution is difficult. There has not been one successful prosecution against money laundering to date. The law currently applies only to drug-related money laundering, but an effort in the Honduran legislature is underway to draft legislation which would broaden the definition of money laundering to include proceeds from any criminal activity.

The current law against money laundering requires that financial institutions maintain a registry of suspicious transactions and report them to the National Banking Commission. The Commission and the reporting bank are required to keep the registry for 5 years.

PRICES

Low-quality marijuana is sold by cannabis farmers in lots averaging from 25 to 50 pounds at US\$10 per pound. It is then resold by dealers in larger towns and cities to local consumers at approximately US\$50 per pound.

Cocaine is sold in multikilogram loads to middlemen and street dealers who resell it in ounces, grams, or "rocks." Importers sell cocaine for US\$1,500 to US\$5,000 per kilogram to middlemen, who, in turn, receive US\$7,000 to US\$9,000 per kilogram. Local distributors sell cocaine by the gram for US\$30, or convert it to crack. A single rock of crack costs US\$4.

COUNTERDRUG ENFORCEMENT

The Honduran National Police is the primary agency in Honduras tasked with counternarcotics operations. Prior to 1996, the Honduran National Police was part of the Honduran military, but now is a part of a wider effort to separate Honduran military and civilian institutions under the Public Ministry. Organized within the Honduran National Police are the *Dirección Preventiva Antidrogas* (DPA) and the Joint Information Coordination Center (JICC). The JICC, also known in Spanish as the *Centro de Información Conjunto* (CEINCO), continues to make significant intelligence collection, analysis, and operational planning contributions to counterdrug operations in Honduras. CEINCO has operated since 1993, and employs 45 persons.

On May 28, 1998, the Honduran Congress passed legislation creating a new civilian Ministry of Security which assumed unified control over the uniformed and investigative police. The Honduran *Ministero Público-Dirección de Lucha Contra el Narcotráfico* (DLCN), created in 1996, and currently the leading

Honduran law enforcement agency for narcotic investigations, remains under the Public Ministry. However, the CEINCO and DPA were placed under the new Ministry of Security. The DPA, staffed by 40 personnel, has six offices throughout Honduras and is responsible for canine units. In 1997, the Government of Honduras created a task force to combat illegal drug smuggling through the Bay Islands. The DLCN currently has offices in Tegucigalpa, La Ceiba, and San Pedro Sula.

The Honduran National Congress passed a constitutional amendment establishing a counternarcotics mission for the Honduran armed forces that took effect in January 1999. The Honduran Government gave high priority to finalizing a maritime counternarcotics agreement with the United States. Also in 1999, Honduras approved a U.S. Coast Guard counterdrug patrol in Honduran waters for the first time.

Counterdrug operations are an increasingly high priority for the Honduran Government, but law enforcement agencies continue to suffer from lack of resources and training—a situation aggravated by Hurricane Mitch. In 1999, arrests of Honduran police officers for narcotics-related crimes suggested some penetration of law enforcement agencies by drug traffickers.

LEGISLATION, TREATIES, CONVENTIONS

The Government of Honduras is an active member of the Inter-American Drug Abuse Control Commission (CICAD), and has bilateral counternarcotics agreements with the United States, Belize, Colombia, Jamaica, Mexico, and Venezuela.

Despite the existence of an extradition treaty between the United States and Honduras, dating back to 1909, it has not been effective in securing the extradition of wanted criminals. The United States has proposed the negotiation of a “ship rider” and asset-sharing agreement with the Honduran Government, but neither has been fully approved by the Honduran legislature.

The U.S. Government and the Honduran Government maintain a Bilateral Counternarcotics Committee. Joint U.S.-Honduran military training exercises have enhanced the ability of the armed forces to support counternarcotics operations. In addition, the United States has provided assistance to the National Police, counternarcotics units of the Public Ministry, Armed Forces, JICC, Bay Islands Task Force, and local demand reduction programs.

U.S. counternarcotics and anti-corruption efforts increased sharply in Central America in 1999, partly in anticipation of increased vulnerability because of losses resulting from Hurricane Mitch. U.S. State Department funds for counternarcotics projects more than doubled. The U.S. Government donated 10 vehicles and 3 boats valued at \$2 million dollars to Honduran law enforcement agencies. A congressional “Mitch Supplemental” appropriation provided U.S. funding for several anti-corruption projects that are being carried out with key Honduran agencies such as the Administrative Probity Office, the Criminal Investigation Directorate, and the Public Ministry.

Honduran police and military units took part in two Central Skies exercises with U.S. military forces in May and September, 1999. U.S. Embassy and Honduran Government officials formed a bilateral counternarcotics working group which met quarterly in 1999. The United States provided both software and training for the JICC and Honduran law enforcement agencies during 1999.

CONCLUSIONS/PROJECTIONS

Honduras' infrastructure and economy were severely affected by Hurricane Mitch. The hurricane also set back domestic marijuana cultivation, narcotics transshipments, and government interdiction efforts. However, the long-term impact the hurricane had on law enforcement efforts outlasted the effect it had on drug traffickers, who quickly adapted to the changed conditions. The hurricane and the disruption it caused to Honduras' society increased the country's already high level of lawlessness and created more favorable conditions for overland drug traffickers once the Honduran transportation infrastructure was repaired. There were only two major cocaine seizures in 1999 in Honduras, one of which resulted from mistakes made by the traffickers themselves in planning the shipment. There were no major seizures from tractor-trailers nor from go-fast boats during 1999 as there were in previous years.

The Government of Honduras is committed to fighting drug trafficking and drug abuse, and Honduran officials are increasingly aware of the detrimental impact of drug use on Honduras. Honduran officials have proven to be willing to work with the United States in drug interdiction efforts, despite the difficulties facing Honduran law enforcement due to the country's economic conditions.

This report was prepared by the Mexico/Central America Unit of the Office of International Enforcement Support. Comments and requests for copies are welcome and may be directed to the Intelligence Production Unit, Intelligence Division, DEA Headquarters, at (202) 307-8726.